

INTERNAL SERVICE FUNDS

The **Fleets and Facilities Fund** accounts for support services to other City departments in the areas of vehicle purchases and motor pool maintenance and repairs; building and related facility operations and maintenance; architecture, engineering, and space planning; design, print, and copy resources; and real estate management.

The **Information Technology Fund** accounts for support services to other City departments by the Department of Information Technology. The services include managing the City's information technology resources, including Citywide telecommunications, data communications, and the physical infrastructure that supports it; the City's telephone system, radio system, and fiber optic network; Citywide application infrastructure; and interactive media services.

The **Engineering Services Fund** accounts for the design, construction, and management services performed for capital improvement projects to other City departments and other entities.

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COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

December 31, 2003

(In Thousands)

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2003	2002
ASSETS					
Current Assets					
Cash and Equity in Pooled Investments	\$ 23,753	\$ 18,805	\$ 125	\$ 42,683	\$ 38,550
Receivables, Net of Allowances					
Accounts	63	6	14	83	215
Unbilled	-	-	7	7	38
Due from Other Funds	4,637	3,396	484	8,517	8,260
Due from Other Governments	430	3,144	22	3,596	4,393
Materials and Supplies Inventory	1,663	323	-	1,986	2,061
Prepayments and Other	-	-	2	2	2
Total Current Assets	30,546	25,674	654	56,874	53,519
Noncurrent Assets					
Restricted Cash and Equity in Pooled Investments	50	-	13	63	57
Capital Assets					
Land and Land Rights	81	-	-	81	86
Buildings and Improvements	2,512	574	-	3,086	22,104
Less Accumulated Depreciation	(61)	-	-	(61)	(7,086)
Machinery and Equipment	115,525	24,473	3,757	143,755	140,533
Less Accumulated Depreciation	(57,268)	(17,743)	(3,642)	(78,653)	(90,649)
Construction in Progress	-	3,631	-	3,631	3,386
Total Noncurrent Assets	60,839	10,935	128	71,902	68,431
Total Assets	91,385	36,609	782	128,776	121,950
LIABILITIES					
Current Liabilities					
Accounts Payable	1,720	1,967	143	3,830	6,446
Salaries, Benefits, and Payroll Taxes Payable	799	562	303	1,664	1,489
Contracts Payable	97	-	-	97	81
Due to Other Funds	3,750	627	210	4,587	2,400
Interest Payable	13	90	-	103	112
Taxes Payable	-	-	1	1	-
Current Portion of Long-Term Debt					
General Obligation Bonds Due Within One Year	386	715	-	1,101	1,467
Contracts Payable	-	246	-	246	-
Claims Payable	371	39	63	473	298
Compensated Absences Payable	95	132	47	274	380
Deferred Credits	115	-	-	115	72
Total Current Liabilities	7,346	4,378	767	12,491	12,745
Noncurrent Liabilities					
Advances from Other Funds	-	-	5,200	5,200	5,950
Compensated Absences Payable	1,508	940	430	2,878	2,667
Claims Payable	705	28	257	990	653
Vendor and Other Deposits Payable	50	-	13	63	57
General Obligation Bonds, Due Serially	586	3,920	-	4,506	5,972
Less Bonds Due Within One Year	(386)	(715)	-	(1,101)	(1,467)
Bond Discount and Premium	-	141	-	141	164
Contracts Payable	-	810	-	810	-
Other Noncurrent Liabilities	-	1,178	-	1,178	-
Total Noncurrent Liabilities	2,463	6,302	5,900	14,665	13,996
Total Liabilities	9,809	10,680	6,667	27,156	26,741
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	60,203	6,874	115	67,192	62,236
Restricted for Debt Service	-	-	-	-	-
Restricted for Other Purposes	-	-	-	-	-
Unrestricted	21,373	19,055	(6,000)	34,428	32,972
Total Net Assets	\$ 81,576	\$ 25,929	\$ (5,885)	\$ 101,620	\$ 95,208

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**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2003
(In Thousands)**

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2003	2002
OPERATING REVENUES					
Charges for Services	\$ 37,887	\$ 27,715	\$ 7,538	\$ 73,140	\$ 74,975
Rents, Parking, and Concessions	23,076	-	-	23,076	22,396
Total Operating Revenues	60,963	27,715	7,538	96,216	97,371
OPERATING EXPENSES					
Operations and Maintenance	43,118	24,747	-	67,865	72,490
Engineering Services	-	-	7,549	7,549	7,673
General and Administrative	3,798	3,207	-	7,005	7,594
City Business and Occupation Taxes	-	2	-	2	1
Other Taxes	-	17	1	18	3
Depreciation and Amortization	10,436	2,501	98	13,035	11,516
Total Operating Expenses	57,352	30,474	7,648	95,474	99,277
Operating Income (Loss)	3,611	(2,759)	(110)	742	(1,906)
NONOPERATING REVENUES (EXPENSES)					
Investment and Interest Income	541	419	-	960	1,761
Interest Expense	(45)	(241)	-	(286)	(295)
Gain (Loss) on Sale of Capital Assets	(522)	(307)	-	(829)	(432)
Others, Net	810	(131)	-	679	(4,785)
Total Nonoperating Revenues (Expenses)	784	(260)	-	524	(3,751)
Income (Loss) Before Contributions, Grants, and Transfers	4,395	(3,019)	(110)	1,266	(5,657)
Capital Contributions and Grants	-	-	-	-	8
Operating Contributions and Grants	-	93	16	109	102
Transfers In	2,807	6,335	-	9,142	12,077
Transfers Out	(3,532)	(573)	-	(4,105)	(8,006)
Change in Net Assets	3,670	2,836	(94)	6,412	(1,476)
Total Net Assets -Beginning of Year	77,906	23,093	(5,791)	95,208	95,220
Prior-Year Adjustment	-	-	-	-	1,464
Total Net Assets -Beginning of Year as Restated	77,906	23,093	(5,791)	95,208	96,684
Total Net Assets - End of Year	\$ 81,576	\$ 25,929	\$ (5,885)	\$ 101,620	\$ 95,208

				Comparative Totals	
	Fleets and Facilities	Information Technology	Engineering Services	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 59,627	\$ 27,556	\$ 9,257	\$ 96,440	\$ 102,922
Cash Paid to Suppliers	(23,194)	(9,255)	(1,163)	(33,612)	(53,134)
Cash Paid to Employees	(21,463)	(17,037)	(7,241)	(45,741)	(46,883)
Cash Paid for Taxes	-	(19)	-	(19)	(4)
Net Cash from Operating Activities	14,970	1,245	853	17,068	2,901
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds of Interfund Advances	-	-	5,200	5,200	5,950
Payment of Interfund Advances	-	-	(5,950)	(5,950)	(7,200)
Interest Paid on Interfund Advances	-	-	-	-	(2)
Operating Grants and Contributions Received	-	93	16	109	102
Transfers In	2,807	6,335	-	9,142	12,077
Transfers Out	(3,532)	(573)	-	(4,105)	(8,005)
Net Cash from Noncapital Financing Activities	(725)	5,855	(734)	4,396	2,922
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(596)	(870)	-	(1,466)	(1,357)
Capital Fees and Grants Received	-	-	-	-	8
Capital Expenditures and Deferred Charges Paid	(12,366)	(4,118)	(17)	(16,501)	(7,286)
Interest Paid on Long-Term Debt	(46)	(272)	-	(318)	(326)
Proceeds from Sale of Capital Assets	-	-	-	-	1,454
Net Cash from Capital and Related Financing Activities	(13,008)	(5,260)	(17)	(18,285)	(7,507)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Investment Income Received	541	419	-	960	1,762
Net Increase (Decrease) in Cash and Equity in Pooled Investments	1,778	2,259	102	4,139	78
CASH AND EQUITY IN POOLED INVESTMENTS					
Beginning of Year	22,025	16,546	36	38,607	38,529
End of Year	\$ 23,803	\$ 18,805	\$ 138	\$ 42,746	\$ 38,607
CASH AT THE END OF THE YEAR CONSISTS OF					
Current Assets Cash and Equity in Pooled Investments	\$ 23,753	\$ 18,805	\$ 125	\$ 42,683	\$ 38,550
Restricted Cash and Equity in Pooled Investments	50	-	13	63	57
Total Cash at the End of the Year	\$ 23,803	\$ 18,805	\$ 138	\$ 42,746	\$ 38,607

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COMBINING STATEMENT OF CASH FLOWS

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INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2003

(In Thousands)

	<u>Fleets and Facilities</u>	<u>Information Technology</u>	<u>Engineering Services</u>	<u>Comparative Totals</u>	
				<u>2003</u>	<u>2002</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 3,611	\$ (2,759)	\$ (110)	\$ 742	\$ (1,906)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	10,436	2,501	98	13,035	11,516
Changes in Operating Assets and Liabilities					
Accounts Receivable	27	84	21	132	71
Unbilled Receivables	-	-	31	31	1,153
Due from Other Funds	(995)	(190)	928	(257)	4,235
Due from Other Governments	98	(40)	739	797	93
Materials and Supplies Inventory	29	46	-	75	310
Accounts Payable	(1,363)	(121)	(1,132)	(2,616)	1,373
Salaries, Benefits, and Payroll Taxes Payable	87	63	25	175	(1,734)
Compensated Absences Payable	50	20	35	105	(1,674)
Due to Other Funds	2,231	(141)	97	2,187	(6,284)
Claims Payable	375	14	123	512	(291)
Contracts Payable	31	231	-	262	-
Taxes Payable	-	-	1	1	(3,961)
Deferred Credits	56	(13)	-	43	-
Other Assets and Liabilities	297	1,550	(3)	1,844	-
Total Adjustments	11,359	4,004	963	16,326	4,807
Net Cash from Operating Activities	<u>\$ 14,970</u>	<u>\$ 1,245</u>	<u>\$ 853</u>	<u>\$ 17,068</u>	<u>\$ 2,901</u>